

**House Report 107-740 - DEPARTMENTS OF VETERANS AFFAIRS AND
HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES
APPROPRIATIONS BILL, 2003**

**MINORITY VIEWS OF HON. ALAN MOLLOHAN AND HON.
DAVID OBEY**

The appropriations bill for the Departments of Veterans Affairs, Housing and Urban Development and Independent Agencies reported by the Committee corrects many of the worst flaws in the President's budget. In particular, it adds critically needed funds for veterans medical care and services, restores many of the cuts in housing programs, provides important increases for several environmental programs, and significantly increases funds for basic science at the National Science Foundation. The bill does much good within its budget allocation and the Chairman has worked cooperatively with Committee Members on both sides of the aisle to balance priorities based on need, program performance, and the interests of Members of the House.

Unfortunately, however, the Subcommittee's budget allocation does not permit it to adequately address the many needs and opportunities within the jurisdiction of the Subcommittee. The bill remains below the levels necessary to fully meet the needs of veterans and low-income individuals and underfunds critical infrastructure needs of this nation. Specific examples of these shortfalls abound: thousands of veterans languish on long waiting lists for needed medical care; waiting times for public housing are measured in years rather than months; and the EPA has released a new report showing a shortfall in funding to provide for clean and safe water in the hundreds of billions of dollars. In addition to failing to address critical needs, the low allocation has forced the Majority to rely on highly questionable budget assumptions and practices to stay within the Subcommittee's budget ceiling. These include a `temporary' recommendation to eliminate funding for the Corporation for National and Community Service; very conservative projections of the cost of maintaining the section 8 public housing voucher program; and, most troubling, the decision to provide only \$800 million of the \$3.5 billion which the President requested for `first responder' activities on the assumption that the Commerce-Justice-State bill will fund the remainder of the President's first responder program. This latter assumption is highly suspect since the Commerce-Justice Subcommittee's budget allocation is already approximately \$2 billion below the level likely necessary to pass that bill in the House, making it impossible for them to absorb another \$2.7 billion to meet the President's request for the `first responders' program.

These funding problems are not primarily the result of programmatic disagreements between the Majority and the Minority on the Committee.

Rather, they are the artifacts of the President and House Majority Leadership's insistence on an overall budget ceiling which is arbitrary and entirely inadequate. The Minority believes that within the existing budget limitations, this bill's attributes outweigh its shortfalls, but we believe strongly that additional amounts will need to be made available to the Subcommittee before the bill is sent to the President.

Veterans

Veterans programs are an example of an area where constrained resources have meant that the Chairman was unable to address critical needs. He is to be praised for his recommendation to add \$1.1 billion to the President's request for veterans' medical care and for rejecting the Administration's proposal to establish a deductible of \$1,500 for many veterans. The Chairman has also allocated a much needed increase of \$31 million for medical and prosthetic research. Unfortunately these increased levels are still inadequate. At the levels recommended by the Committee, waiting times for medical appointments will continue to increase. Currently 280,000 veterans wait for an appointment for VA health care.

Department of Housing and Urban Development

The Committee bill restores many of the reductions in the President's request for the Department of Housing and Urban Development. For instance, the \$417 million cut by the Administration to the Public Housing Capital Fund was fully restored. The Chairman has also provided substantial increases for the HOME program and for homeless assistance grants, including \$10 million for a demonstration program to develop new and innovative solutions to solving the problem of homeless Americans.

By far, the most critical aspect of the Committee bill related to public housing is the change in the treatment of section 8 renewals. While the bill continues a basic budget policy of funding the renewal of all section 8 vouchers, this year the Committee's recommended funding level is based on the actual number of units leased, as reported by the public housing

authorities. This approach is intended to avoid replicating the situation that has occurred in recent years where amounts appropriated are in excess of actual units leased and the excess funds are then 'recaptured' in the following year. These funds are then reallocated to other programs, sometimes for housing, but often for other purposes. The Committee has chosen to use these funds up front for other fiscal year 2003 housing needs. It is not the intent of the Committee to reduce the number of families and individuals served by these vouchers. Nor does the Committee intend to limit the ability of public housing authorities to reach full utilization of authorized vouchers. The intent is to prevent unused funds in this account from being spent on programs that do not provide or improve housing. These changes to the Housing Certificate Fund, specifically to the renewal of tenant-based

section 8 vouchers, are of concern to many people. The Minority will continue to work with the Majority to address these concerns as this bill moves forward.

Environmental Protection Agency

This bill provides a substantial increase of \$560 million above the President's request for the Environmental Protection Agency. The \$8,204 million recommended by the Committee supports core activities to protect this nation's water and air, to clean-up hazardous wastes and to enforce various laws to protect the environment. It also provides resources for three important initiatives: approval of the President's proposal to double funding for the Brownfields program to clean-up abandoned industrial sites from \$100 million to \$200 million; a \$150 million increase over the President's budget for the Superfund program to escalate clean-up of toxic waste sites; and a new \$21 million program to support the clean-up of critical watersheds.

Notwithstanding these increases, there are a number of areas where funding remains inadequate. Principal among these is funding for repair of this nation's clean water and wastewater infrastructure. On September 30th the Administrator of EPA released results of the most recent survey of the gap between the need for infrastructure improvements and available funds. This study, conducted by EPA, shows a twenty-year shortfall totaling \$388 billion for clean water facilities and \$274 billion for safe drinking water facilities. Given this need, the Minority does not understand why the Majority has proposed a reduction of \$50 million to \$1,300 million for the Clean Water State Revolving Fund.

Science

Despite constrained resources for the bill, the Chairman has made scientific research a priority and has provided a generous allocation for the science agencies, especially the \$5,423 million in the bill for the National Science Foundation. The President's budget requested a meager 3 percent real increase for the NSF. The Committee has wisely added \$395 million to the President's request bringing the 2003 increase to slightly over 13 percent, an amount which will allow the agency to significantly expand research in basic physics, chemistry, mathematics and engineering as well as take advantage of new opportunities which would have not been possible under the Bush budget. In approving this increase as a first step to a potentially substantial multi-year increase for NSF, the Committee has also directed a major review of the Foundation's organizational, programmatic and personnel policies to assure the Congress and the public that the NSF is optimally organized to take advantage of the new opportunities that increased resources can provide.

Although the increases recommended by the Chairman and approved by the Committee for NASA is appreciated, they are not sufficient to provide for a robust space program. The bill as reported does include \$15.3 billion for NASA, an increase of \$300 million above the President's request but a mere three percent over last year.

The space station program was, and is, a concern of the Minority. The International Space Station has encountered serious cost overruns throughout its history. This Committee and Congress continue to await a revised cost estimate in the wake of revelations last year of another \$5 billion in cost growth. Although details of the new cost estimates were expected last month, new detailed figures are not now expected before the end of October. NASA has not yet provided details of how it plans to complete construction of the station while ensuring that it will be the 'world class' research facility NASA promised, meet U.S. commitments to its international partners, and stay within proposed budget guidelines. We are concerned by the reports of the Research Maximization and Prioritization (ReMaP) task force and the National Research Council that outline the reduction in scientific research capability that would result should only the 'core complete' configuration be built. The potential of the space station to serve as a premier research laboratory must not be jeopardized. In addition, the NASA Management and Cost Estimating task force last year criticized the agency's focus on meeting annual budgets without dealing with the larger challenge of total program costs. The Minority feels that NASA must demonstrate not only that it has improved its management and cost estimating processes, but also that it will cease taking a year-by-year approach to budgeting without considering the impact on total program costs.

There are four general provisions affecting NASA in this bill. Two of these provisions are of concern to the Minority: a proviso allowing for the 'enhanced-use lease' of real property and a provision concerning the privatization of utilities. As we move through the legislative process, these issues need to be reviewed and vetted by all parties impacted by these provisions.

Corporation for National and Community Service

Members should note that the Committee has again declined to include funding for the Corporation for National and Community Service. The Minority remains committed to working with the Majority to ensure that adequate funding is made available for this important purpose.

Conclusion

In summary, the Minority is pleased by the Chairman and the Committee's efforts in many areas, especially the funds added to the President's request for veterans medical care, ongoing housing programs, environmental

initiatives, and the National Science Foundation. However, shortfalls in other areas represent ongoing concerns, which we will work to address during House and Conference consideration prior to sending the bill to the President.

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